



SECTION 7

Salary, Pension, and Insurance Data

7.1 Agency compensation data collection and update

The initial salary data collection process for collective bargaining is underway

The Governor's Office, supported by the Labor Relations Office (LRO) in OFM, negotiates collective bargaining agreements for state governmental agencies and for some institutions of higher education. The nature of collective bargaining requires OFM to have salary data at the employee level. OFM must be prepared for proposals that may group employees by bargaining unit, classification, range and step, years of service, etc. It also is necessary to have compensation data available at this level of detail for non-represented state employees in order to permit similar calculations for the non-represented groups.

In January 2006, OFM began its data collection for 2007-09 collective bargaining salary negotiations and budgeting for all state employee salaries and benefits. This data is needed so that agency budgets can include the correct amount of funding for labor agreements and compensation changes.

Agencies may update 2007-09 data in June

In June 2006, agencies will be given a second opportunity to ensure that their data is in line with their 2007-09 proposed maintenance level. Governmental (non-higher education) agencies should add or delete positions in the SPS CIM Release file to match the annual average 2007-09 FTE Level at Maintenance Level. Higher education institutions will continue to use the CIM-Agency Interface System to do the same.

It will be important for agencies to take a fresh look at the data, with the goal of making the following corrections:

- If Agency Maintenance Level FTEs differ from the FTE level submitted to the Compensation Impact Model, please provide an explanation of the difference to Jane Sakson at Jane.Sakson@ofm.wa.gov.
- Update bargaining unit coding to accurately reflect the agency's employee representation.
- Correct fund source designation, if necessary. The new Pension Funding Stabilization Account, however, should not be used as a funding source.

- Certain agencies should update the pension system code on employees electing to join the new Public Safety Employees' Retirement System (PSERS). Please see Section 7.2 below for more information. A table with all pension system codes is displayed in Section 7.3.

The specific deadline and any additional instructions for the June update will be provided via e-mail to agency budget officers and SPS users later this year. Budget managers should ensure that OFM has on record the appropriate system users and email addresses in order for this communication to reach the appropriate staff.

Resources

If you have questions regarding this process, please contact Jane Sakson, OFM Budget Assistant to the Governor, at (360) 902-0549 or Jane.Sakson@ofm.wa.gov, or Pam Davidson, Senior Budget Assistant to the Governor, at (360) 902-0550 or Pam.Davidson@ofm.wa.gov.

7.2



New Pension System will Affect Some Agencies

New Public Safety Employees' Retirement System takes effect July 2006

Members of PERS Plan 2 or Plan 3 prior to July 1, 2006, who are employed as a public safety employee on July 1, 2006, will have the choice of joining the new system (PSERS Plan 2) or remaining in PERS. Employees hired into public safety positions on or after July 1, 2006, are mandated into PSERS Plan 2. Public safety employees in PERS Plan 1 must remain in PERS. Additionally, only employees who are employed on a **full-time, fully compensated basis** by a PSERS employer in a PSERS position are eligible for PSERS. Affected agencies are:

- Department of Corrections
- State Parks and Recreation Commission
- Gambling Commission
- State Patrol (not troopers)
- Liquor Control Board

Only certain positions within these agencies are eligible for PSERS. If you have any questions about specific positions within an affected agency, please consult the Department of Retirement Systems for assistance. DRS also has information regarding this new retirement system on its website at <http://www.drs.wa.gov/employer/default.htm>.

It is important for agencies to reflect this change in the compensation data released to OFM for the 2007-09 budget development, in order that pension costs can be appropriately calculated for the new system. During the June 2006 SPS update window, the agencies listed above should **change those current employees who elect to move** from PERS 2 or PERS 3 to PSERS 2 to the new pension system code, N2. **All full-time vacancies expected to be filled after July 1, 2006 must all be coded as N2.**

7.3 Valid Pension System Codes

The following table reflects all valid pension system codes for the 2007-09 Biennial Budget.

Retirement Systems	Description
H1	Higher Education System - 5% Contribution Rate
H2	Higher Education System - 7½% Contribution Rate
H3	Higher Education System - 10% Contribution Rate
J2	Judicial Retirement System (capped)
R1	Judicial Retirement Account Plan I
R2	Judicial Retirement Account Plan II
L1	Law Enforcement Officers and Fire Fighters – Plan I
L2	Law Enforcement Officers and Fire Fighters – Plan II
N2	Public Safety Employees' Retirement System
P1	Public Employees' Retirement System (PERS) – Plan I
P2	Public Employees' Retirement System (PERS) – Plan II
P3	Public Employees' Retirement System (PERS) – Plan III
T1	Teachers' Retirement System (TRS) – Plan I
T2	Teachers' Retirement System (TRS) – Plan II
T3	Teachers' Retirement System (TRS) – Plan III
S1	Washington State Patrol Retirement System—Plan I
S2	Washington State Patrol Retirement System—Plan II

7.4 Other compensation cost notes

Salaries

Agencies should use the base salary calculations on the January 1, 2006 salary schedule. (Some adjustments will be made to some classes in the July 1, 2006 schedule; affected agencies may use this as the base.) Discuss the use of any other compensation plan with your OFM analyst before using it in a budget request.

Agencies should not budget for overtime, sick leave or shared leave.

Workers' Compensation Costs (Medical Aid and Industrial Insurance)

OFM will coordinate with the Office of Actuarial Services at the Department of Labor and Industries to determine agency rates and add workers' compensation rate adjustments to agency budgets. Agencies should not submit decision packages for workers' compensation.